weekly economic review

March 8, 2013

Labour Market

Alberta continues to add jobs

Alberta gained 4,200 positions in February, building on January's gain of 9,700. At the industry level, professional, scientific & technical services (7,800) posted the largest monthly gain, and manufacturing (-3,800) the largest loss. Since February 2012, the province has created 52,900 positions, an increase of 2.5%. The unemployment rate remained at 4.5% for the third straight month, well below the national average of 7.0%.

Nationally, the economy added 50,700 positions in February, more than offsetting a 21,200 loss in January. Gains were concentrated in Ontario (35,300) and British Columbia (19,800) with only three provinces losing jobs last month.

Housing Starts

Alberta housing starts jump

Alberta new home construction rebounded in February following two consecutive monthly declines. Housing starts were 33,300 (seasonally adjusted at annual rate, SAAR) in February, up an impressive 13.8% over the previous month and 4.3% higher than the same time last year. Nationally, starts bounced back by 13.7% after hitting a three and a half year low in January. Despite the uptick, Canadian starts have been trending lower and sit 28.6% below their cyclical peak from April 2012.

Building Permits

Value of building permits dip again

The total value of building permits, an indicator of future construction activities, fell 5.5% in January to the lowest level in six months. Non-residential building permits were down 19.7%, which more than offset a 6.7% increase in residential building permits. Despite two consecutive monthly declines, building permits were still up a solid 24.3% over January 2012, with both residential (20.4%) and non-residential (30.9%) contributing to the gains.

Nationally, the value of building permits was 4.3% below the January 2012 level.

Merchandise Exports

Goods exports flat in January

The value of Alberta's merchandise exports in January was unchanged from a year prior. The flat growth was largely attributable to year over year declines in exports of energy products (-0.8%) and industrial machinery, equipment and parts (-20.2%). These declines were offset by an 18.6% increase in exports of basic and industrial chemical, plastic and rubber products.

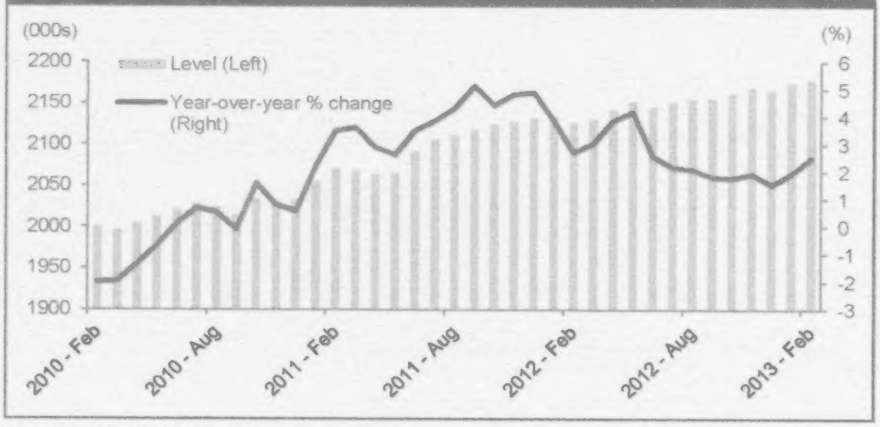
Canada's merchandise trade deficit narrowed to $237 million from $332 million in December, as exports (+2.1%) grew faster than imports (+1.9%).

US Labour Market

Employment expands in February

The US economy added 236,000 jobs in February, the second highest increase in the last 12 months. Meanwhile, the unemployment rate dropped to 7.7%, the lowest level since December 2008. The decline occurred, because people found work, and also because people left the labour force . The participation rate declined by 0.1 percentage points to 63.5%.

Alberta Employment



Sources: Statistics Canada

Closing Price	February 28, 2013	March 7, 2013	2012-13 Fiscal YTD
Canadian Dollar (US /$CAN)	97.22	97.07	100.01
WTI Oil ($US/bbl)	$92.05	$91.56	$91.88
NYMEX Natural Gas($US/MMBtu)	$3.49	$3.58	$3.01

Alberta Economic Indicators[1]

Population	2011	2012YTD	2013YTD	Sep	Oct	Nov	Dec	Jan	Feb
Population (000's)	3,778	3,874	--	--	3,907	--	--	--	--
y/y % change	1.5	2.5	--	--	2.9	--	--	--	--
Net Interprovincial Migration1	8,443	28,170	--	--	13,915	--	--	--	--
Net International Migration1	16,703	37,990	--	--	10,809	--	--	--	--
Net Non-permanent Residents1	-7,604	9,721	--	--	3,946	--	--	--	--
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,177	2,156	2,162	2,170	2,165	2,175	2,179
y/y % change	3.8	2.7	2.2	1.8	1.8	1.9	1.5	1.9	2.5
NEW: Unemployment Rate (%), SA	5.5	4.6	4.5	4.4	4.4	4.2	4.5	4.5	4.5
NEW: Participation Rate (%), SA	73.7	73.4	72.9	73.1	73.1	73.0	72.9	72.9	72.9
Average Weekly Earnings ($), SA	1038.69	1073.09	--	1083.98	1095.42	1080.13	1093.58	--	--
y/y % change	4.6	3.3	--	3.9	4.0	2.9	4.2	--	--
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	-0.5	1.4	0.6	0.6	0.0	-0.5	--
Excluding food and energy	0.8	1.3	--	1.1	1.2	0.9	1.1	0.8	--
Non-Res. Building Cons. Price Index2 (y/y % change)	3.4	3.8	--	3.5	--	--	3.0	--	--
NEW: Farm Product Price Index (y/y % change)	18.0	4.4	--	2.5	1.2	2.0	2.7	--	--
Crops	19.3	1.9	--	2.1	3.5	3.0	4.3	--	--
Livestock	16.7	6.7	--	3.5	-0.9	1.3	1.4	--	--
Household Sector									
NEW: Housing Starts (SAAR, 000's)	25.7	33.4	31.3	33.4	33.7	30.8	30	29.3	33.3
y/y % change	-5.1	29.9	7.8	34.2	-0.2	32.4	5	11.9	4.3
New Housing Price Index3 (y/y % change)	0.4	1.3	--	1.8	1.6	1.7	1.9	--	--
Edmonton	0.9	0.9	--	1.3	0.8	0.8	1.0	--	--
Calgary	0.1	1.7	--	2.3	2.4	2.8	3.1	--	--
MLS Average Resale Prices ($ 000's)	352.7	362.0	369.0	360.1	369.5	370.7	372.2	363.0	--
y/y % change	0.5	2.6	5.3	0.2	3.9	4.2	5.2	5.3	--
Edmonton ($ 000's)	324.2	332.7	334.9	318.7	336.8	343	345.9	334.9	--
y/y % change	-0.7	2.6	0.6	-4.4	2	5.3	4.4	0.8	--
Calgary ($ 000's)	401.9	410.8	414.9	413.4	421.4	419.3	436	414.9	--
y/y % change	1.1	2.2	10.4	0.9	3.5	3.1	8.3	10.4	--
Retail Sales, SA (y/y % change)	6.9	7.6	--	7.8	6.0	3.9	1.9	--	--
New Motor Vehicle Sales (y/y % change)	9.6	10.5	--	15.7	9.1	2.6	-0.7	--	--
NEW: Consumer Bankruptcies	7,029	5,759	--	421	469	420	346	--	--
y/y % change	-13.8	-17.3	--	-19.8	-5.0	-27.2	-28.4	--	--
Business Sector									
Rigs Drilling	286	250	395	229	236	258	287	368	422
y/y % change	30.4	-12.6	-8.1	-33.7	-29.6	-21.8	-16.6	-8.2	-8.1
Goods Exports, customs based (y/y % change)	18.5	2.4	--	-9.0	7.0	3.2	-13.7	--	--
Energy	19.2	2.9	--	-8.9	9.4	1.9	-17.6	--	--
Farm, Fishing and Intermediate Food	27.2	20.4	--	25.2	26.2	6.3	20.0	--	--
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0	--	8.8	--	--	--	--	--
Manufacturing Shipments, SA (y/y % change)	18.0	5.0	--	0.8	0.7	-7.9	9.0	--	--
Wholesale Trade, SA (y/y % change)	15.0	11.0	--	7.2	4.1	4.6	4.1	--	--
NEW: Building Permits, SA (y/y % change)	11.8	14.7	--	7.4	25	44.7	5.4	24.3	--
Residential	5.2	17.7	--	-10.2	14.5	23.3	2.2	20.4	--
Non-residential	20.9	11.0	--	3.4	42	78.4	-13	30.9	--
NEW: Business Bankruptcies	264	230	--	21.0	18.0	15.0	16.0	--	--
y/y % change	-30.2	-12.9	--	-8.7	-40.0	-21.1	-11.1	--	--

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)

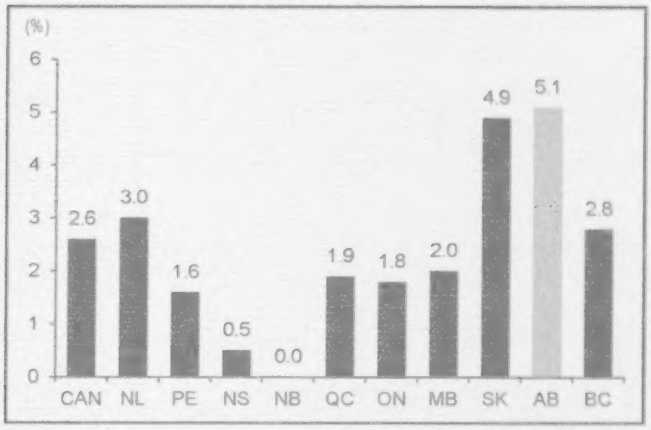
2 Quarterly, average of Calgary and Edmonton

3 Average of Calgary and Edmonton

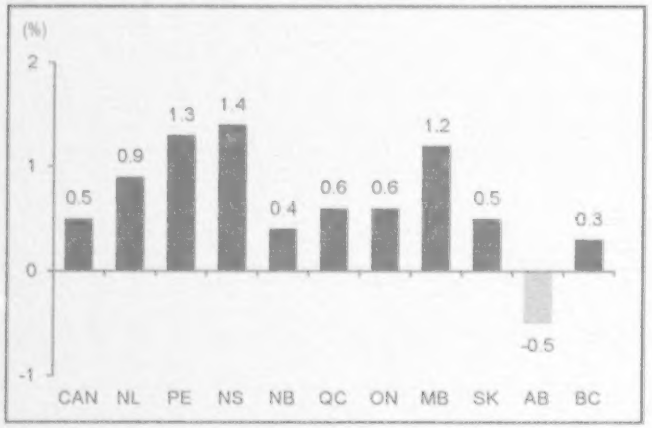
Source: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

Economic Indicators by Province

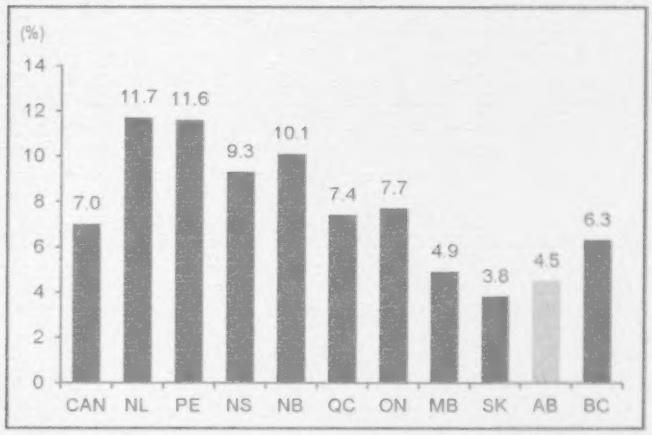
Real GDP Growth by Expenditure
(2011, year-over-year growth)



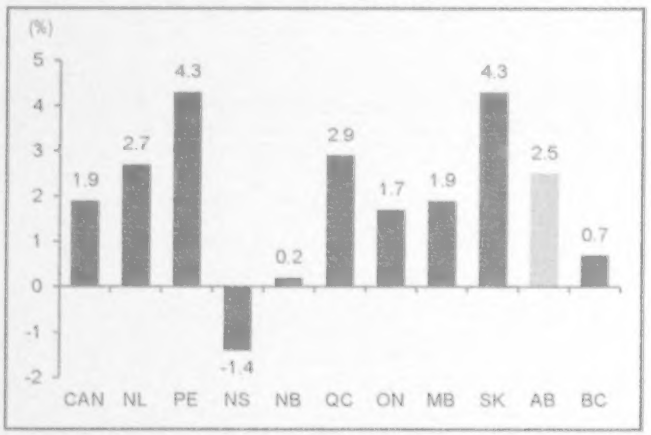
CPI Inflation
(January 2013, year-over-year growth in CPI)



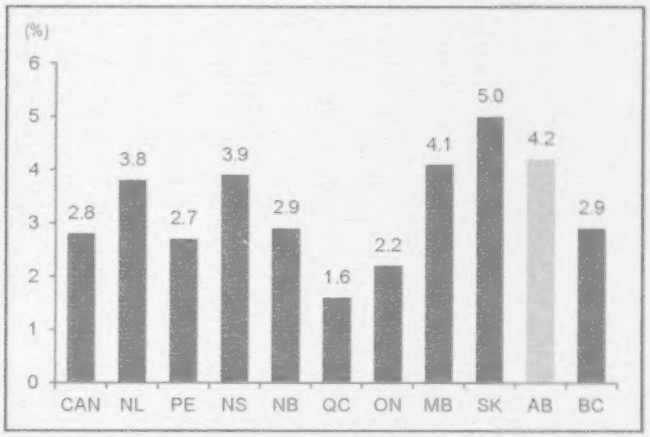
Unemployment Rate
(February 2013)



Employment
(February 2013, year-over-year growth)



Average Weekly Earnings
(December 2012, year-over-year growth)



Housing Starts
(February 2013, SAAR, year-over-year growth)